

**Semi-Annual accounts of  
VERBUND-International  
Finance B.V.**

**for the six months ended 30  
June, 2011**

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## **Report of the management**

Management herewith presents to the shareholder the semi-annual accounts of VERBUND-International Finance B.V. for the six months ended 30 June, 2011.

### **General**

The Company is a private company with limited liability incorporated under the laws of The Netherlands and acts as a finance company for VERBUND AG.

Its objective is to arrange medium and long term financing for VERBUND and, by grouping these activities together, reduce costs. The immediate and ultimate holding company is VERBUND AG (the "Shareholder") and has its registered office at Am Hof 6a, A-1010 Vienna.

Verbund AG has its statutory seat in Vienna, Austria.

### **Overview of activities**

During the first half-year 2011 the Company distributed a dividend of EUR 1,776,613 to its Shareholder.

On 28 March 2011 the Company took up an EUR 125,000,000 loan from European Investment Bank. The loan matures on 28 March 2026 and attracts a variable interest rate of 6 months EURIBOR + 0.456%. The above mentioned attracted funds were used to provide a loan to VERBUND Thermal Power GmbH & Co KG ("VTP").

### **Results**

The net asset value of the Company as at 30 June, 2011 amounts to EUR 2,072,568 (31 December 2010 EUR 3,776,613).

The result after taxation for the six months ended 30 June, 2011 amounts to a profit of EUR 72,568 (31 December, 2010: EUR 1,776,613 profit).

### **Audit committee**

The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an Audit committee. The Company however makes use of an exemption regulation whereby the Parent Company's audit committee fulfills the required tasks.

### **Future outlook**

Management is of the opinion that the present level of activities will be maintained during the next financial period.

### **Subsequent events**

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the semi-annual accounts now presented.

## **Report of the management - continued**

### **Management representation statement**

Management declares that, to the best of their knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the Management Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties it faces.

Amsterdam, 18 July 2011

Mr. A. Wollein

Mr. P. Oosthoek

## Balance sheet as at June 30, 2011

(Before the proposed appropriation of the result and expressed in Euros)

	Notes	30-Jun-11	31-Dec-10
<b>Fixed assets</b>			
Financial fixed assets	1	3,581,607,701	3,461,145,411
<i>Total fixed assets</i>		<u>3,581,607,701</u>	<u>3,461,145,411</u>
<b>Current assets</b>			
Receivables			
Loans to group entities	2	135,729,054	172,778,172
Prepayment of guarantee fee	3	9,217,436	7,396,544
Capitalized loan fees Facility Agreement	4	82,957	156,155
Cash and cash equivalents	5	53,435	24,939
<i>Total current assets</i>		<u>145,082,882</u>	<u>180,355,810</u>
<b>Total assets</b>		3,726,690,583	3,641,501,221
<b>Current liabilities (due within one year)</b>			
Taxation	6	(225,994)	111,984
Amounts due to group entities and credit institutions	7	415,668,612	175,240,390
Accruals and deferred income	8	0	18,086
<i>Total current liabilities</i>		<u>415,442,618</u>	<u>175,370,460</u>
<b>Current assets less current liabilities</b>		(270,359,736)	4,985,350
<b>Total assets less current liabilities</b>		3,311,247,965	3,466,130,761
<b>Long term liabilities (due after one year)</b>			
Loans from group entities	9	262,500,000	518,750,000
Loans from third parties and bonds	10	3,046,675,396	2,943,604,148
<i>Total long term liabilities</i>		<u>3,309,175,396</u>	<u>3,462,354,148</u>
<b>Capital and reserves</b>	11		
Paid up and called up share capital		1,000,000	1,000,000
Share premium account		1,000,000	1,000,000
Unappropriated results		72,568	1,776,613
<i>Total Shareholder's equity</i>		<u>2,072,568</u>	<u>3,776,613</u>
<b>Total long term liabilities plus equity</b>		3,311,247,964	3,466,130,760

The accompanying notes form an integral part of these unaudited semi-annual accounts.

## Profit and Loss account for the six months ended 30 June, 2011

	Notes	Six months ended 30 June 2011	Six months ended 30 June 2010
(Expressed in Euros)			
<b>Finance activities</b>			
Interest on provided loans	12	78,213,420	75,198,979
Interest on received loans	13	(73,282,150)	(69,201,123)
<i>Result finance activities</i>		<u>4,931,270</u>	<u>5,997,856</u>
<b>Other financial income and expenses</b>			
Other interest income	14	125,000	185,000
Other interest charges	15	(9,170,061)	(8,723,594)
Other financial expenses	16	(405,417)	(1,478,070)
Other operating income		238	350
<i>Total other financial income and expenses</i>		<u>(9,450,240)</u>	<u>(10,016,314)</u>
<b>Other income and expenses</b>			
Capital management fee and advices		4,816,350	5,152,169
General and administrative expenses	17	(199,974)	(190,705)
Currency exchange results		0	(38)
<i>Total other income and expenses</i>		<u>4,616,376</u>	<u>4,961,426</u>
<b>Result before taxation</b>		<u>97,406</u>	<u>942,968</u>
Corporate income tax	18	(24,838)	(240,457)
<b>Result after taxation</b>		<u><u>72,568</u></u>	<u><u>702,511</u></u>

The accompanying notes form an integral part of these unaudited semi-annual accounts.

## Cash flow statement as at 30 June 2011

	30-Jun-11	31-Dec-10
(Expressed in Euros)		
<b>Cash flow from operating activities</b>		
Result after taxation	72,568	1,776,613
Add back amortisation	73,198	146,395
	145,766	1,923,008
Less: increase/(decrease) in taxation, prepayments and accrued income	(2,183,708)	(1,056,027)
Add/(less):increase/(decrease) in accruals and deferred income	6,751	(114)
	(2,031,191)	866,866
Increase of loans provided to group entities	(125,395,207)	(221,280,213)
Repayment of loans provided to group entities	31,599,584	88,723,751
Increase of s/t loan and rec interest on loans provided to group entities	(2,358,802)	(56,003,680)
Repayment of s/t loan and rec interest on loans provided to group entities	13,006,991	11,610,980
Increase of loans received and payable interest from third parties	125,000,000	201,885,883
Repayment of loans received and payable interest from third parties	(17,915,359)	(17,648,246)
Increase of loans received and payable interest from group entities	11,000,000	27,700,932
Repayment of loans received and payable interest from group entities	(31,100,907)	(32,500,000)
<b>Net cash flow from operating activities</b>	1,805,109	3,356,274
<b>Cash flow from investing activities</b>	0	0
Dividends distributed	(1,776,613)	(3,391,736)
<b>Net cash flow from financing activities</b>	(1,776,613)	(3,391,736)
<b>Net cash flow</b>	28,496	(35,462)
<b>Cash and cash equivalents as at 1 January 2011</b>	24,939	60,401
<b>Cash and cash equivalents as at 30 June 2011</b>	53,435	24,939

## **Notes to the semi-annual accounts for the six months ended 30 June, 2011**

### ***General***

The Company was incorporated as a private company with limited liability under the laws of the Netherlands on 11 January 2005 and has its statutory seat in Amsterdam and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands. The immediate and ultimate holding company is VERBUND AG (the "Shareholder"). Verbund AG has its statutory seat in Vienna, Austria. The principal activity of the Company is to act as a finance company.

### ***Basis of presentation***

The accompanying accounts have been prepared under the historic cost convention in accordance with accounting principles generally accepted in The Netherlands (Dutch GAAP) and in conformity with provisions governing financial statements as contained in Part 9, Book 2 of the Netherlands Civil Code. The semi-annual accounts for 2011 are presented in Euros ("EUR").

#### **a. Foreign currencies**

Assets and liabilities in foreign currencies are converted into Euros at their currency exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are converted into Euros at the currency exchange rates in effect at the time of the transactions. The resulting currency exchange rate differences are taken to the profit and loss account.

#### **b. Long-term liabilities**

Recorded interest-bearing loans and liabilities as well as bonds are valued at amortised cost. The discount/premium on the issued bonds is amortised over the lifetime of the bonds in accordance with the effective interest method.

#### **c. Assets and liabilities**

Assets and liabilities are shown at face value, unless stated otherwise in the notes. Premiums and discounts on purchase are capitalised and amortised on a linear basis over the remaining life of the instrument.

Investments with a long-term nature are presented at acquisition cost or at lower market value and, if applicable, net of impairments.

The receivables on and loans to participations and other receivables are valued at face value after deduction of any provisions.

#### **d. Recognition of income**

Income and expenses, including taxation, are recognised and reported on accrual basis.



## **Notes to the semi-annual accounts for the six months ended 30 June, 2011 (continued)**

### **e. Financial risk management**

#### **Interest rate risk**

The Company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. These risks are addressed and mitigated by interest rate swap agreements with various parties.

### **f. Accounting principle for hedge transactions**

#### **Hedge accounting**

The Company applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the interest rate contracts and the hedged receivable or payable in the profit and loss account. The interest receivable from the five credit institutions and the interest payable on the incoming loans are perfectly hedged through several swap agreements.

The financial instruments are valued at cost.

### **g. Corporate income tax**

Provisions for taxation have been made in accordance with Dutch corporate income tax law.

### **h. Principles for preparation of the cash flow statement**

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments. Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

## ***Balance sheet***

	<b>30-Jun-11 EUR</b>	<b>31-Dec-10 EUR</b>
<b>1 Financial fixed assets</b>		
a. Loan to VERBUND Hydro Power AG ("VHP"), Vienna, Austria	200,000,000	200,000,000
b. Loan to VHP, Vienna, Austria	51,733,333	51,733,333
c. Loan to VHP, Vienna, Austria	6,817,225	8,521,531
d. Loan to VHP, Vienna, Austria	72,672,834	72,672,834
e. Loan to VHP, Vienna, Austria	40,000,000	40,000,000
f. Loan to VHP, Vienna, Austria	9,000,000	9,000,000
g. Loan to VHP, Vienna, Austria	14,000,000	14,000,000
h. Loan to VHP, Vienna, Austria	27,000,000	27,000,000
i. Loan to Austrian Power Grid AG ("APG"), Vienna, Austria	250,000,000	250,000,000
j. Loan to APG, Vienna, Austria	30,222,222	34,000,000
k. Loan to APG, Vienna, Austria	78,750,000	81,562,500
l. Loan to Shareholder VERBUND AG, Vienna, Austria	500,000,000	500,000,000
m. Loan to VERBUND Telekom Service GmbH ("VTS"), Vienna, Austria	12,700,000	12,700,000
n. Loan to VHP, Vienna, Austria	89,000,000	89,000,000
o. Loan to VHP, Vienna, Austria	27,000,000	27,000,000
p. Loan to VHP, Vienna, Austria	34,000,000	34,000,000
q. Loan to VERBUND Photovoltaics Ibérica S.L. ("VRP-ES"), Madrid, Spain	12,550,000	13,125,000
r. Loan to VERBUND International GmbH ("VIN"), Vienna, Austria	50,000,000	50,000,000
s. Loan to VERBUND Wind Power Austria GmbH ("VRP-AT"), Vienna, Austria	19,500,000	19,500,000
t. Loan to VIN, Vienna, Austria	162,500,000	178,750,000
u. Loan to VHP, Vienna, Austria	400,000,000	400,000,000
v. Loan to VERBUND Renewable Power GmbH ("VRP"), Vienna, Austria	50,000,000	50,000,000
w. Loan to shareholder VERBUND AG, Vienna, Austria	50,000,000	50,000,000
x. Loan to shareholder VERBUND AG, Vienna, Austria	840,000,000	840,000,000
y. Loan to VIN, Vienna, Austria	200,000,000	200,000,000
z. Loan to APG, Vienna, Austria	117,000,000	121,500,000
aa. Loan to APG, Vienna, Austria	45,000,000	46,250,000
bb. Loan to HAOS INVEST EAD ("VRP-BG"), Sofia, Bulgaria	16,080,000	16,810,000
cc. Loan to Energji Ashta Shpk ("VHP-AL"), Tirana, Albania	24,415,419	24,020,213
dd. Loan to EKW, Steyr, Austria	35,000,000	0
ee. Loan to VERBUND Thermal Power GmbH ("VTP"), Mellach, Austria	116,666,667	0
	<b>3,581,607,701</b>	<b>3,461,145,411</b>

The movements in financial fixed assets are as follows:

Balance as per 1 January	3,461,145,411	3,328,588,950
Loans granted	125,395,207	230,720,213
Reclassification to short term	(4,932,917)	(98,163,752)
Balance as per 30 June	<b>3,581,607,701</b>	<b>3,461,145,411</b>

- a. The loan to VHP in the original amount of EUR 200,000,000 has not been secured, matures on 27 March 2017 and attracts a fixed interest rate of 3.50525%.
- b. The loan to VHP in the original amount of EUR 90,533,333 has not been secured, matures on 13 September 2019 and attracts a variable interest rate of 3 month EIB-pool rate + 0.10%
- c. The loan to VHP in the original amount of EUR 18,747,369 has not been secured, matures on 25 June 2016 and attracts a fixed interest rate of 3.3%.
- d. The loan to VHP in the original amount of EUR 72,672,834 has not been secured, matures on 20 November 2017 and attracts a fixed interest rate of 5.09%.

### ***Balance sheet (continued)***

- e. The loan to VHP in the original amount of EUR 40,000,000 has not been secured, matures on 27 March 2017 and attracts a fixed interest rate of 3.47725%.
- f. The loan to VHP in the original amount of EUR 9,000,000 has not been secured, matures on 28 December 2013 and attracts a fixed interest rate of 5.178%.
- g. The loan to VHP in the original amount of EUR 14,000,000 has not been secured, matures on 28 December 2013 and attracts a fixed interest rate of 4.6715%.
- h. The loan to VHP in the original amount of EUR 27,000,000 has not been secured, matures on 29 December 2015 and attracts a fixed interest rate of 5.742%.
- i. The loan to APG in the amount of EUR 250,000,000 has not been secured, matures on 1 March 2015 and attracts an interest rate of 12 months EURIBOR + 1.15%.
- j. The loan to APG in the original amount of EUR 52,888,889 has not been secured, matures on 15 March 2020 and attracts an interest rate of 3 months EURIBOR + 0.10%.
- k. The loan to APG in the original amount of EUR 90,000,000 has not been secured, matures on 25 June 2026 and attracts an fixed interest rate 3.887%
- l. The loan to shareholder VERBUND AG in the amount of EUR 500,000,000 has not been secured, matures on 25 June 2014 and attracts a fixed interest rate of 5.15%.
- m. The loan to VTS in the amount of EUR 12,700,000 has not been secured, matures on 13 September 2013 and attracts a variable interest rate of 6 months EURIBOR + 0.40%.
- n. The loan to VHP in the original amount of EUR 89,000,000 has not been secured, matures on 29 December 2015 and attracts a fixed interest rate of 5.734%.
- p. The loan to VHP in the original amount of EUR 27,000,000 has not been secured, matures on 28 June 2013 and attracts a fixed interest rate of 5.164%.
- p. The loan to VHP in the original amount of EUR 34,000,000 has not been secured, matures on 29 December 2015 and attracts a fixed interest rate of 5.353%.
- q. The loan to VRP-ES in the original amount of EUR 16,000,000 has not been secured, matures on 14 July 2022 and attracts a variable interest rate of 6 months EURIBOR + 0.70%.
- r. The loan to VIN in the original amount of EUR 50,000,000 has not been secured, matures on 28 June 2013 and attracts a fixed interest rate of 4.6715%.
- s. The loan to VRP-AT in the original amount of EUR 27,000,000 has not been secured, matures on 30 September 2019 and attracts a variable interest rate of 6 months EURIBOR + 0.70%.

***Balance sheet (continued)***

- t. The loan to VIN in the original amount of EUR 260,000,000 has not been secured, matures on 31 March 2017 and attracts a variable interest rate published at the OeKB-Website + 2.21%.
- u. Loan to VHP in the amount of EUR 400,000,000 has not been secured, matures on 17 April 2015 and attracts a fixed interest rate of 5.06825%.
- v. Loan to VRP in the amount of EUR 50,000,000 has not been secured, matures on 17 April 2015 and attracts a fixed interest rate of 5.36825%.
- w. Loan to shareholder VERBUND AG in the amount of EUR 50,000,000 has not been secured, matures on 17 April 2015 and attracts a fixed interest rate of 4.86825%.
- x. Loan to shareholder VERBUND AG in the amount of EUR 840,000,000 has not been secured, matures on 16 July 2019 and attracts a fixed interest rate of 4.90578%.
- y. Loan to VIN in the amount of EUR 200,000,000 has not been secured, matures on 22 June 2020 and attracts a fixed interest rate of 5.1850%.
- z. Loan to APG in the amount of EUR 135,000,000 has not been secured, matures on 20 May 2025 and attracts a variable interest rate of 6 months EURIBOR + 0.493%.
- aa. Loan to APG in the amount of EUR 50,000,000 has not been secured, matures on 9 June 2030 and attracts a variable interest rate of 6 months EURIBOR + 0.568%.
- bb. Loan to VRP-BG in the amount of EUR 19,000,000 has not been secured, matures on 20 May 2023 and attracts a variable interest rate of 6 months EURIBOR + 1.725%.
- cc. Loan to VHP-AL in the amount of EUR 24,020,212.50 has not been secured, matures on 15 July 2020 and attracts a variable interest rate of 3 months EURIBOR + 1.35%.
- dd. Loan to EKW in the amount of EUR 35,000,000 has not been secured, matures on 18 March 2014 and attracts a variable interest rate of 6 months EURIBOR + 0.45%.
- ee. Loan to VTP in the amount of EUR 125,000,000 has not been secured, matures on 28 March 2026 and attracts a variable interest rate of 6 months EURIBOR + 0.556%.

## Balance sheet (continued)

	30-Jun-11 EUR	31-Dec-10 EUR
<b>2 Loans to group entities</b>		
a. Loan to APG, Vienna, Austria	3,777,778	3,777,778
b. Loan to VHP, Vienna, Austria	6,466,667	6,466,667
c. Loan to VHP, Vienna, Austria	1,704,306	1,704,306
d. Loan to VRP-ES, Madrid, Spain	1,150,000	1,150,000
e. Loan to VRP-AT, Vienna, Austria	2,500,000	2,500,000
f. Loan to VIN, Vienna, Austria	32,500,000	32,500,000
g. Loan to Alpha Wind SRL ("VRP-RO"), Bucharest, Romania	0	4,600,000
h. Loan to APG, Vienna, Austria	5,625,000	5,625,000
i. Loan to APG, Vienna, Austria	9,000,000	9,000,000
j. Loan to APG, Vienna, Austria	2,500,000	2,500,000
k. Loan to VRP-BG, Sofia, Bulgaria	1,460,000	1,460,000
l. Loan to EKW, Steyr, Austria	0	35,000,000
m. Loan to VTP, Mellach, Austria	8,333,333	0
n. VERBUND Finanzierungsservice Gmbh ("VFS"), Vienna, Austria	2,093,065	0
Loan interest receivable APG, Vienna, Austria	3,020,610	5,694,610
Loan interest receivable VHP, Vienna, Austria	12,627,652	18,410,489
Loan interest receivable Shareholder (VH)	920,927	15,131,338
Loan interest receivable VTS, Vienna, Austria	60,594	49,727
Loan interest receivable EKW, Steyr, Austria	200,149	165,300
Loan interest receivable VRP-ES, Madrid, Spain	123,547	121,000
Loan interest receivable VRP-AT, Vienna, Austria	125,994	104,630
Loan interest receivable VIN, Vienna, Austria	272,226	5,578,937
Loan interest receivable VRP, Vienna, Austria	550,026	1,904,626
Loan interest receivable VRP-RO, Bucharest, Romania	0	24,164
Loan interest receivable VRP-BG	336,090	60,778
Loan interest receivable VERBUND AG	39,515,050	19,080,124
Loan interest receivable VHP-AL	139,798	121,626
Loan interest receivable ATP	680,174	0
Commitment fee receivable VHP-AL, Tirana, Albania	46,069	47,072
	<u>135,729,054</u>	<u>172,778,172</u>

- a. The loan to APG in the amount of EUR 3,777,778 has not been secured and attracts a variable interest rate of 3 months EURIBOR + 0.10%.
- b. The loan to VHP in the amount of EUR 6,466,667 has not been secured and attracts a variable interest rate of 3 months EIB-pool rate + 0.10%.
- c. The loan to VHP in the amount of EUR 1,704,306 has not been secured and attracts a fixed interest rate of 3.30%.
- d. The loan to VRP-ES in the amount of EUR 1,150,000 has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.70%.
- e. The loan to VRP-AT in the amount of EUR 2,500,000 has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.70%.
- f. The loan to VIN in the amount of EUR 32,500,000 has not been secured and attracts a variable interest rate of that published at the OeKB-Website + 2.21%.
- g. The loan to VRP-RO in the amount of EUR 4,600,000 has been totally redeemed on 30 June 2011.

***Balance sheet (continued)***

- h. The current part of the loan to APG in the amount of EUR 5,625,000 has not been secured and attracts an fixed interest rate 3.887%
- i. The current part Loan to APG in the amount of EUR 9,000,000 has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.493%.
- j. The current part Loan to APG in the amount of EUR 2,500,000 has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.568%.
- k. The current part Loan to VRP-BG in the amount of EUR 1,460,000 has not been secured and attracts a variable interest rate of 6 months EURIBOR + 1.725%.
- l. The maturity date of the loan to EKW has been extended to 18 March 2014 and is therefore re-classified as long-term loan.
- m. The current part Loan to VTP in the amount of EUR 8,333,333 has not been secured, matures on 28 March 2026 and attracts a variable interest rate of 6 months EURIBOR + 0.556%.
- n. Short-term settlement with VFS, anytime refundable and with an interest rate of 1.25% for debts and 1.15% for receivables.

## ***Balance sheet (continued)***

			<b>30-Jun-11 EUR</b>	<b>31-Dec-10 EUR</b>
<b>3</b>	<b>Prepayment of guarantee fee</b>			
	Prepayment of guarantee fee		9,217,436	7,396,544
			<u>9,217,436</u>	<u>7,396,544</u>
<b>4</b>	<b>Capitalized loan fees Facility Agreement</b>			
	Accumulated amortization		1,135,450	1,135,450
			(1,052,493)	(979,295)
			<u>82,957</u>	<u>156,155</u>
	Balance as at 1 January		156,155	302,550
	Amortization		(73,197)	(146,395)
	Balance as at 30 June		<u>82,957</u>	<u>156,155</u>
<b>5</b>	<b>Cash and cash equivalents</b>			
	Current account		53,435	24,939
			<u>53,435</u>	<u>24,939</u>
<b>6</b>	<b>Taxation</b>			
	Corporate income tax		(231,399)	107,827
	VAT payable		5,405	4,157
			<u>(225,994)</u>	<u>111,984</u>
Corporate income tax summary	01.01.11	Paid	P/L account	30.06.11
2011	0	(364,064)	24,838	(339,226)
2010	107,827	0	0	107,827
Total	<u>107,827</u>	<u>(364,064)</u>	<u>24,838</u>	<u>(231,399)</u>

## ***Balance sheet (continued)***

	<b>30-Jun-11 EUR</b>	<b>31-Dec-10 EUR</b>
<b>7 Amounts due to group entities and credit institutions</b>		
Loan from EIB, Luxembourg	1,704,306	1,704,306
Loan from EIB, Luxembourg	6,466,667	6,466,667
Loan from EIB, Luxembourg	3,777,778	3,777,778
Loan from EIB, Luxembourg	10,000,000	10,000,000
Loan from EIB, Luxembourg	5,625,000	5,625,000
Loan from EIB, Luxembourg	2,500,000	2,500,000
Loan from EIB, Luxembourg	8,333,333	0
Loan from shareholder VERBUND AG, Vienna, Austria	32,500,000	32,500,000
Loan from Grenzkraftwerke Gesellschaft GmbH ("GKW"), Simbach, Germany	0	39,000,000
Loan from VFS	280,000,000	0
Loan from VMS	10,000,000	0
VERBUND Finanzierungsservice GmbH ("VFS"), Vienna, Austria	0	14,933,698
Interest payable to VFS	305,760	248,127
Interest Loan VMS, Vienna, Austria	63,168	55,847
Interest Loan from EIB, Luxembourg	2,827,443	1,799,503
Interest Loan Facility Agreement	94,792	96,250
Interest Landesbank Baden-Württemberg ("LBBW"), Stuttgart, Germany	3,246,219	983,126
Postsparkasse Aktiengesellschaft ("BAWAG"), Vienna, Austria	2,216,118	402,930
Interest payable EUR 500m 5.00% Bonds of 2007/2014	409,836	12,861,444
Interest payable Series 1, Tranche 1, EUR 500m Notes	4,866,803	16,738,814
Interest payable Series 2, Tranche 1, EUR 840m Notes	38,260,274	18,244,203
Interest payable Series 3, Tranche 1, EUR 200m Notes	239,754	5,097,637
Interest payable GKW, Simbach, Germany	355,333	773,500
Interest payable Energie Klagenfurt GmbH ("EKG"), Klagenfurt, Austria	718,533	81,011
Interest Loan VIT	64,218	0
Interest rate swaps	1,093,277	1,350,549
	<u>415,668,612</u>	<u>175,240,390</u>

In order to hedge the interest rate risk on the floating interest which the Company faces on incoming loans totalling to EUR 428,000,000, it has entered into the following swap agreements in the year 2008 for a similar amount, paying a fixed rate of interest and receiving a floating interest amount.

-EUR 120,000,000 interest rate swap with Erste Bank der Oesterreichischen Sparkasse AG, due 27 March 2017. The Company is obliged to pay a fixed interest rate of 3.2050% and receives a variable interest rate of 6 months EURIBOR.

-EUR 120,000,000 interest rate swap with Raiffeisenzentralbank-Österreich AG, due 27 March 2017. The Company is obliged to pay a fixed interest rate of 3.2075% and receives a variable interest rate of 6 months EURIBOR.

-EUR 64,000,000 interest rate swap with Barclays Bank PLC, due 28 June 2013. The Company is obliged to pay a fixed interest rate of 2.6875% and receives a variable interest rate of 6 months EURIBOR.

-EUR 34,000,000 interest rate swap with UniCredit Bank Austria AG, due 29 December 2015. The Company is obliged to pay a fixed interest rate of 3.1000% and receives a variable interest rate of 6 months EURIBOR.

-EUR 90,000,000 interest rate swap with Société Générale, due 25 June 2026. The Company is obliged to pay a fixed interest rate of 3.5950% and receives a variable interest rate of 6 months EURIBOR.



## ***Balance sheet (continued)***

	<b>30-Jun-11 EUR</b>	<b>31-Dec-10 EUR</b>
<b>8 Accruals and deferred income</b>		
Accruals	0	18,086
	<u>0</u>	<u>18,086</u>
<b>9 Loans from group entities</b>		
a. Loan from VMS	10,000,000	20,000,000
b. Loan from VFS	0	280,000,000
c. Loan from VERBUND AG	162,500,000	178,750,000
d. Loan from GKW, Simbach, Germany	41,000,000	0
e. Loan from EKG, Klagenfurt, Austria	40,000,000	40,000,000
f. Loan from VERBUND Italia S.p.A. ("VIT"), Milan, Italy	9,000,000	0
	<u>262,500,000</u>	<u>518,750,000</u>
Balance as per 1 January	518,750,000	578,250,000
Increase/(Decrease)	11,000,000	12,000,000
Return from / to short term loans	(267,250,000)	(71,500,000)
Balance as per 30 June	<u>262,500,000</u>	<u>518,750,000</u>

- a. The loan from VMS (formerly known as VMSG) of EUR 20,000,000 has not been secured, matures in 2012 and 2013 and attracts an interest rate of 6 months EURIBOR + 0.3%.
- b. The loan from VFS (formerly known as VFG), currently EUR 280,000,000 has not been secured, matures in March 2012 and attracts an interest rate of 3 months EURIBOR + 0.2%.
- c. The loan from shareholder VERBUND AG in the original amount of EUR 260,000,000 has not been secured, matures in March 2017 and attracts a variable interest rate published at the OeKB-Website + 2.01%.
- d. The loan from GKW of EUR 41,000,000 has not been secured, matures on 21 August 2012 and attracts a fixed interest rate of 1.75%.
- e. The loan from EKG of EUR 40,000,000 has not been secured, matures on 9 December 2014 and attracts a fixed interest rate of 3.17%.
- f. The loan from VIT of EUR 9,000,000 has not been secured, matures on 14 January 2014 and attracts an interest rate of 6 months EURIBOR + 0.3%.

## ***Balance sheet (continued)***

	<b>30-Jun-11 EUR</b>	<b>31-Dec-10 EUR</b>
<b>10 Loans from third parties and bonds</b>		
a. Loan from EIB, Luxembourg	30,222,222	34,000,000
b. Loan from EIB, Luxembourg	6,817,225	8,521,531
c. Loan from EIB, Luxembourg	51,733,333	51,733,333
d. Loan from EIB, Luxembourg	200,000,000	200,000,000
e. Loan from EIB, Luxembourg	40,000,000	40,000,000
f. Loan from EIB, Luxembourg	78,750,000	81,562,500
g. Loan from EIB, Luxembourg	130,000,000	135,000,000
h. Loan from EIB, Luxembourg	45,000,000	46,250,000
i. Loan from EIB, Luxembourg	116,666,667	0
j. Schuldschein from LBBW, Stuttgart, Germany	9,000,000	9,000,000
k. Schuldschein from LBBW, Stuttgart, Germany	14,000,000	14,000,000
l. Schuldschein from LBBW, Stuttgart, Germany	27,000,000	27,000,000
m. Schuldschein from LBBW, Stuttgart, Germany	27,000,000	27,000,000
n. Schuldschein from LBBW, Stuttgart, Germany	50,000,000	50,000,000
o. Schuldschein from LBBW, Stuttgart, Germany	89,000,000	89,000,000
p. Schuldschein from LBBW, Stuttgart, Germany	34,000,000	34,000,000
q. Bonds from BAWAG, Vienna, Austria	72,672,834	72,672,834
r. EUR 500m 5.00% Bonds of 2007/2014	497,672,176	497,337,758
s. Series 1, Tranche 1 EUR 500m Notes	497,837,203	497,679,514
t. Series 2, Tranche 1 EUR 840m Notes	831,009,757	830,617,704
u. Series 3, Tranche 1 EUR 200m Notes	198,293,980	198,228,974
	<u>3,046,675,396</u>	<u>2,943,604,148</u>
Loans maturing within one year:	0	0
Loans maturing between one and five years:	1,399,137,715	1,365,600,160
Loans maturing after five year:	<u>1,647,537,681</u>	<u>1,578,003,988</u>
	<u>3,046,675,396</u>	<u>2,943,604,148</u>

All loans, bonds and notes from third parties are guaranteed by the Shareholder.

- a. The loan from EIB in the original amount of EUR 52,888,889 matures on 15 March 2020 and attracts a variable interest rate of EIB-pool rate + 0.12%.
- b. The loan from EIB in the original amount of EUR 18,747,369 matures on 27 June 2016 and attracts a fixed interest rate of 3.20%.
- c. The loan from EIB in the original amount of EUR 90,533,333 matures on 13 September 2019 and attracts a variable interest rate of EIB-pool rate + 0.12%.
- d. The loan from EIB in the original amount of EUR 200,000,000, matures on 27 March 2017, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.099%.
- e. The loan from EIB in the original amount of EUR 40,000,000, matures on 27 March 2017, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.071%.
- f. The loan from EIB in the original amount of EUR 90,000,000, matures on 25 June 2026, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.092%.

## ***Balance sheet (continued)***

- g. The loan from EIB in the original amount of EUR 150,000,000, matures on 20 May 2025, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.393%.
- h. The loan from EIB in the original amount of EUR 50,000,000, matures on 10 June 2030, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.468%.
- i. The loan from EIB in the original amount of EUR 125,000,000, matures on 28 March 2026, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.456%.
- j. The Schuldschein loan from LBBW in the original amount of EUR 9,000,000, matures on 28 June 2013 and attracts a fixed interest rate of 4.894%.
- k. The Schuldschein loan from LBBW in the original amount of EUR 14,000,000, matures on 28 June 2013 and attracts a variable interest rate of 6 months EURIBOR + 1.70%.
- l. The Schuldschein loan from LBBW in the original amount of EUR 27,000,000, matures on 29 December 2015 and attracts a fixed interest rate of 5.489%.
- m. The Schuldschein loan from LBBW in the original amount of EUR 27,000,000, matures on 28 June 2013 and attracts a fixed interest rate of 4.88%.
- n. The Schuldschein loan from LBBW in the original amount of EUR 50,000,000, matures on 28 June 2013 and attracts a variable interest rate of 6 months EURIBOR + 1.70%.
- o. The Schuldschein loan from LBBW in the original amount of EUR 89,000,000, matures on 29 December 2015 and attracts a fixed interest rate of 5.481%.
- p. The Schuldschein loan from LBBW in the original amount of EUR 34,000,000, matures on 29 December 2015, and attracts a variable interest rate of 6 months EURIBOR + 2.00%.
- q. The bonds from BAWAG in the amount of EUR 72,672,834 mature on 20 November 2017 and attract a fixed interest rate of 4.99%.
- r. The EUR 500,000,000 bonds mature on 25 June 2014, attract a fixed interest rate of 5% and were issued at 99.487%. Due to the discount on the bonds the effective annual interest rate is 5.13229%.
- s. The Series 1, Tranche 1 EUR 500,000,000 Notes due on 17 April 2015, attract a fixed interest rate of 4.75% and were issued at 99.699%. Due to the discount on the notes the effective annual interest rate is 4.86825%.
- t. The Series 2, Tranche 1 EUR 840,000,000 Notes due 16 July 2019, attract a fixed interest rate of 4.75% and were issued at 99.145%. Due to the discount on the notes the effective annual interest rate is 4.90%.
- u. The Series 3, Tranche 1 EUR 200,000,000 due 22 June 2020, attract a fixed interest rate of 4.875% and were issued at 99.136%. Due to the discount on the notes the effective annual interest rate is 4.98425%.

## ***Balance sheet (continued)***

The authorised share capital of the Company amounts to EUR 2,000,000 divided into 2,000 shares of EUR 1,000 each, of which 1,000 shares are issued and paid up.

### **11 Capital and reserves**

	Share capital	Share premium	Other reserves	Unappr.results
Balance as per 31.12.2009	1,000,000	1,000,000	0	3,391,736
Transfer	0	0	3,391,736	(3,391,736)
Dividend	0	0	(3,391,736)	0
Result for the period	0	0	0	1,776,613
Balance as per 31.12.2010	1,000,000	1,000,000	0	1,776,613
Transfer	0	0	1,776,613	(1,776,613)
Dividend	0	0	(1,776,613)	0
Result for the period	0	0	0	72,568
Balance as per 30.06.2011	1,000,000	1,000,000	0	72,568

The Company distributed a dividend of EUR 1,776,613 on 5 April 2011.

## ***Profit and loss account***

	<b>Six months ended 30 June 2011 EUR</b>	<b>Six months ended 30 June 2010 EUR</b>
<b>12 Interest on provided loans</b>		
Interest on loans to group entities	78,213,420	74,945,519
Interest on loans to other entities	0	253,460
	<u>78,213,420</u>	<u>75,198,979</u>
<b>13 Interest on received loans</b>		
Interest on long term loans	(6,499,312)	(5,681,185)
Interest on short term loans	(18,734)	0
Interest on bonds	(50,593,690)	(50,608,788)
Interest on loans from third parties	(16,170,414)	(12,911,150)
	<u>(73,282,150)</u>	<u>(69,201,123)</u>
<b>14 Other interest income</b>		
Other interest income	125,000	185,000
	<u>125,000</u>	<u>185,000</u>
<b>15 Other interest charges</b>		
Guarantee fee	(7,593,631)	(7,294,023)
Amortization of capitalised fees on loans	(1,576,430)	(1,429,571)
	<u>(9,170,061)</u>	<u>(8,723,594)</u>
<b>16 Other financial expenses</b>		
Other interest expenses	0	(999,112)
Commitment fees	(405,417)	(478,958)
	<u>(405,417)</u>	<u>(1,478,070)</u>
<b>17 General and administrative expenses</b>		
Administration fees	(82,652)	(91,106)
Notary fees	(14,344)	0
Legal fees	(29,920)	(23,863)
Consultancy and advisory fees	(33,257)	(39,486)
IT support costs	0	(1,285)
Bank charges and other fees	(9,778)	(8,593)
Services	(3,660)	(1,318)
Travel expenses	(475)	0
Sundry expenses	(25,888)	(25,054)
	<u>(199,974)</u>	<u>(190,705)</u>
<b>18 Corporate income tax</b>		
Corporate income tax 2011	(24,838)	0
Corporate income tax 2010	0	(240,457)
	<u>(24,838)</u>	<u>(240,457)</u>